

STATE OF TENNESSEE  
TENNESSEE EMERGENCY COMMUNICATIONS BOARD  
DEPARTMENT OF COMMERCE AND INSURANCE

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BOARD MEETING

Tuesday, October 31, 2006

TRANSCRIPT OF PROCEEDINGS

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ATTENDEES:

For TECB Board: Mr. Randy Porter, Chair  
Mr. Charles Bilbrey, Member  
Ms. Katrina Cobb, Member  
Mr. Carolann Feathers, Member  
Mr. Freddie Rich, Member  
Mr. Steve Smith, Member  
Mr. Mike Taylor, Member  
For TECB Staff: Ms. Lynn Questell, Executive Director  
Mr. James C. Barnes, Accounting  
Manager  
Mr. Rex Hollaway, Director of  
Technical Services  
Ms. Carolyn E. Reed, TECB Attorney  
Mr. Duple Travillion, Director  
Government And External Affairs  
Ms. Vanessa D. Williams, Assistant to  
the Executive Director

Reported by:

Jennifer B. Carollo, RPR, CCR

## EXHIBITS

NUMBER	DESCRIPTION	PAGE
1	Proposed Amendment to Policy	12
	No. 14: Procedures for ECD Rate	
	Increase Requests and Requests for	
	Extension of Increase	
2	10/13/06 Memorandum from the	24
	Members of the Funding Committee	
	Re: Recommendation for Additional	
	Distribution of Wireless Revenue	

1                   (The aforementioned Board Meeting  
2    came on to be heard on Tuesday, October 31, 2006, at  
3    500 James Robertson Parkway, Davy Crockett Tower, Room  
4    160, beginning at approximately 9:30 a.m., when the  
5    following proceedings were had, to-wit:)

6  
7                   CHAIRMAN PORTER:   Okay.   We'll call  
8    the meeting to order.   This is the October 31, 2006,  
9    meeting of the Tennessee Emergency Communications  
10   Board.   I'm Randy Porter, the chairman.   I'd like to  
11   welcome each and every one of you this morning and say  
12   Trick or Treat, I guess.   I hope everything will be  
13   treats today.

14                  Let the record show that everyone is  
15   present except for Mr. Tom Beehan and Ike Lowry and  
16   those of y'all -- I think most of y'all know about Ike  
17   and his sickness, and I think he's doing better.   And  
18   so hopefully Ike will be back with us real soon, but  
19   y'all still remember Ike in your prayers if you would.

20                  We have a -- well, not too bad of an  
21   agenda today.   Hopefully we can move through pretty  
22   quickly, and we'll get started.   And the first item on  
23   the agenda is the report of the Executive Director.  
24   Lynn.

25                  MS. QUESTELL:   Thank you,

1 Mr. Chairman. I'd also like to note for the record  
2 that we are commencing at 9:30.

3 Okay. I just want to do a quick  
4 update on the status of wireless carriers and Voice  
5 over IP deployment. Since our last meeting on  
6 September 28, it's essentially unchanged. The  
7 following carriers are offering Phase 2 service  
8 throughout their service areas in Tennessee: Verizon,  
9 T-Mobile, Sprint and Nextel, Cingular, Norfolk,  
10 Advantage, Eloqui, Triton, Cricket, Alltel, and  
11 Cleartalk. Okay.

12 And Cingular was -- had stated that  
13 today would be the day that it would have its full  
14 system integrated with AT&T. We haven't gotten a  
15 report yet to see if they have done that yet, but today  
16 was their date.

17 We have not received any reports of  
18 misroutes since the last meeting in September. Though  
19 there -- we received one report, but it was for a call  
20 that was in an adjacent county. Calls that are coming  
21 from adjacent counties are not true misroutes because  
22 that's just where the technology is right now. But if  
23 it's more than one county away, please let us know so  
24 that Rex can take steps to make sure that that gets  
25 corrected.

1                   I want to report on the status of the  
2   essential equipment reimbursement program. As of  
3   October 29, 49 districts have either been paid or in  
4   the process of being reimbursed for request for  
5   equipment totaling 4,322,000. Five districts have  
6   requested the maximum of \$150,000 in equipment. And  
7   six have less than 20,000 remaining in their  
8   allocation, but 51 districts have not initiated any  
9   action towards requesting any of this funding.

10                  The next thing I want to report on is  
11   our initiative to get the FCC to clarify its policing  
12   on harassing 911 calls from noninitialized phones. We  
13   intend to draft a petition to the FCC beginning in  
14   November, after this meeting gets over with, to ask the  
15   FCC to clarify its order on how to deal with harassing  
16   911 calls. Their order basically says it's okay to  
17   block the calls, but it doesn't explain what blocking  
18   is, and it doesn't explain what harassing calls are  
19   either. And so we intend to do this.

20                  We've taken this initiative to the  
21   national group of 911 administrators and believe --  
22   Michigan is going to join with us in the survey that  
23   we've sent out as is probably Florida and Indiana so  
24   that we'll have statistics from various places across  
25   the nation. I think Washington State may also

1 participate in this. But what we'll do is compile all  
2 of the statistics for discreet monthly periods; that  
3 seems to be the best way to get the FCC's attention.  
4 Facts were what got their attention with the Voice over  
5 IP order.

6 I have to tell you, I want to thank  
7 the district so much for their participation in the  
8 survey that we've been doing. We literally must have a  
9 stack this big (indicating) just from the month of  
10 October. I mean, it's over a foot tall. And we  
11 actually had to change fax machines to the fax machine  
12 that had the big paper because we were just running out  
13 of paper with all of these reports. So I'm very -- I  
14 was surprised at the magnitude, and this is definitely  
15 an issue whose time has come, and we're excited about  
16 drafting this up, and we intend to have it complete and  
17 filed with the FCC by the time that the NENA goes to --  
18 the Washington meeting starts in March so . . .

19 I wanted to also report on the NG911  
20 project. Staff has scheduled a meeting with  
21 representatives of all state agencies that might have  
22 some interest in the NG911 project. Just to kind of  
23 let them know so they can take advantage of what we're  
24 doing or know about the platform, avoid duplication of  
25 effort, we've invited representatives from Homeland

1 Security, TEMA, the governor's office, Department of  
2 Finance and Administration including OIR, Department of  
3 Health, the EMS section, University of Tennessee,  
4 Department of Economic and Community Development. The  
5 TBI, TDOT, THP, Department of Corrections, Department  
6 of Children's Services. Department of Agriculture,  
7 TDEC, TWRA Enforcement Division and General Services.  
8 It's scheduled for -- and the TRA. And it's scheduled  
9 for November 8. We're still kind of working out the  
10 details, but we want to just make sure that what we're  
11 doing is known.

12                   Staff will go and talk to the police  
13 chiefs' and fire chiefs' association and the sheriffs'  
14 association so that people will be knowing what's going  
15 on with our project.

16                   The Voice over IP service charge, we  
17 sent out over 600 letters since the last board meeting  
18 to notify nonwireline service providers that they would  
19 be required to pay the service charge on nonwireline  
20 service. And we also attended a conference of ISP  
21 providers that was here in Nashville, and they were  
22 raising some issues and -- that we will be trying to  
23 clarify for them in the future.

24                   That is it for my executive  
25 director's report.

1                   CHAIRMAN PORTER: All right. Thank  
2     you. Next item on our agenda is to consider amending  
3     Policy No. 14 to allow use of expedited -- expedited  
4     procedures (presently being used for ECDs with service  
5     charges expiring on June 30, 2006) for all rate  
6     increase extensions.

7                   Did you want to talk about that at  
8     all?

9                   MS. QUESTELL: Yes. Thank you,  
10    Mr. Chairman.

11                  At the last meeting we started using  
12    the new procedures that are shortened for -- because  
13    there were some rate increases that expired on June 30,  
14    2006, because of the -- the TACIR report and the board  
15    thinking that there would be some major changes on that  
16    date. These expedited procedures have worked really  
17    well. And I think they allow for a thorough review of  
18    the financial and technical status of ECDs without  
19    overburdening our staff or the people at the districts  
20    that are working so hard to provide 911 service.

21                  This shortened procedure is already  
22    included in policy 14, but I would ask that the board  
23    extend it to all rate increase extensions instead of  
24    just the ones that are expiring on June 30, 2006, but I  
25    would like a caveat. This shortened procedure would be



1       used for the extension unless a specific situation  
2       requires a really, really in-depth review. So the  
3       board could at any point say for this extension we  
4       would like an even more in-depth review with the whole  
5       five-year plan laid out like you would do for the  
6       regular rate increases.

7                       What we're asking for is use of the  
8       abbreviated form, and then the staff would analyze the  
9       application. The staff would make recommendations to  
10      the board which would be provided to each of the  
11      districts. Staff would prevent -- would present the  
12      rate increase request to the board, and either a ECD  
13      director or their chairman, but not both, which is  
14      required for regular rate increase requests, would be  
15      required.

16                     I'm not going to read this into the  
17      record because it's already in policy 14. I just would  
18      ask that the board apply this shortened procedure to  
19      all rate increase extensions.

20                     CHAIRMAN PORTER: You've heard the  
21      request of staff; what is the rule of the board?

22                     MS. COBB: I so move.

23                     CHAIRMAN PORTER: We have a motion by  
24      Miss Katrina. Do I have a second?

25                     MS. FEATHERS: Second.

1 CHAIRMAN PORTER: A second by  
2 Ms. Feathers that we amend policy 14 as requested by  
3 staff. Is there discussion?

4 MR. RICH: Yes, sir. Mr. Chairman,  
5 I'm not going to offer any amendment at this time --  
6 from the TEMA meeting and --

7 THE COURT REPORTER: I'm sorry,  
8 Mr. Rich. I'm having a hard time hearing you.

9 MR. RICH: Okay. Can you hear me  
10 now?

11 THE COURT REPORTER: Yes, sir. Thank  
12 you.

13 MR. RICH: Where we're having these  
14 ECD directors or whoever drive across the state to come  
15 to these meetings when the staff has already said that  
16 they're recommending that we accept these, I think  
17 maybe that's something we need to look at and if we  
18 maybe need to make a phone call to somebody in the far  
19 East or West Tennessee because I don't think we've  
20 asked any questions that I know of to anybody that's  
21 been up here so far. It's clear -- there's some  
22 concern that they're having to drive over here  
23 basically for nothing just to make that trip. Again,  
24 I'm not going to offer anything, but I think it's  
25 something we need to think about.

1                   CHAIRMAN PORTER: Any other  
2 discussion?

3                   MS. QUESTELL: If I might say, I  
4 mean, I understand that concern and appreciate what  
5 you're saying, but if the board did have questions  
6 about a rate increase extension and the person wasn't  
7 here, then the consideration would have to be postponed  
8 until they did come to the next meeting to answer the  
9 question.

10                  CHAIRMAN PORTER: One trip every  
11 three years I don't think would kill anybody, would it,  
12 Freddie? I mean --

13                  MR. RICH: It just seems to me -- the  
14 majority of the people that talked to me said they  
15 didn't understand that provision when we're already --  
16 it's been recommended to us to go ahead and accept it  
17 anyway.

18                  CHAIRMAN PORTER: I would hope that  
19 the directors across the state would want to come to  
20 the ECB meetings whether they had something on the  
21 agenda or not to keep up with what's going on. I mean,  
22 I know where some of them -- you know, if you live in  
23 Bristol or you live in Memphis, it's a long drive but  
24 still . . .

25                  Okay. Any other discussion? Hearing

1 none, all in favor say aye.

2 (Board members respond "aye.")

3 CHAIRMAN PORTER: All opposed, like  
4 sign.

5 (No response.)

6 CHAIRMAN PORTER: Motion carried.

7 MS. REED: Could we make that  
8 Exhibit 1 to the transcript, please?

9 CHAIRMAN PORTER: Can we do that?

10 THE COURT REPORTER: Sure.

11 CHAIRMAN PORTER: Okay.

12 (Marked Exhibit 1.)

13 CHAIRMAN PORTER: Item No. ii is the  
14 consider "Not to Exceed" amount for NG911 project as  
15 requested during the September 28, 2006, TECD meeting.  
16 Do you want to say something, or do you want me too?

17 MS. QUESTELL: Why don't you go  
18 ahead, if you don't mind.

19 CHAIRMAN PORTER: Let me say this  
20 before we get into this. I know that some of you had  
21 some questions about what -- how much that we would  
22 ultimately spend on this project, and, of course, when  
23 you know -- when you're doing something as large as  
24 we're looking at doing statewide, it's very difficult  
25 to try to estimate too much in advance. I think one

1     thing that concerns me greatly about putting out a  
2     not-to-exceed figure is that for us that work in county  
3     government or any kind of business you know if the  
4     vendor knows that you've got \$30,000 you're going to  
5     spend on your project, that bid is going to come in at  
6     \$29,995. I mean, we've been there, done that.

7                     It really concerns me that we would  
8     put out a figure as to what would be a not to exceed.  
9     I think this board, as closely as we work together, and  
10    everything on this project, I think that we can handle  
11    this process and can make a good decision as to whether  
12    we do this or we don't do this and how much we spend  
13    and how much we don't without putting out a  
14    not-to-exceed figure and letting the world know how  
15    much we've got and how much we're willing to spend.  
16    Because I think when we do that, we'll wind up spending  
17    close to that exact amount.

18                    So I would hope that we could work  
19    out something else to where that -- you know, we talked  
20    about having one or two board members on the committee  
21    that would be in the RFP process, and they could keep  
22    the other -- you know, the staff could keep the other  
23    board members apprised of exactly what's going on and  
24    where we're at and trust those couple of people that  
25    they see the same way that the board does and would

1 make a decision that the board would be happy with.

2 And I just want to get my two cents' worth in on that  
3 and hope that you would think about that before we vote  
4 to put out a not-to-exceed amount so . . .

5 Lynn, did you have some stuff you  
6 wanted to say too?

7 MS. QUESTELL: Yes. I would also  
8 agree that -- especially in the RFP it is not standard  
9 procedure to put a not-to-exceed amount in that. And I  
10 know that had been kind of discussed at the last  
11 meeting, but that is not standard procedure.

12 And I think that Randy is correct.  
13 If you put that amount out, you are either going to  
14 only get bids -- no matter how much they actually cost,  
15 they will be that amount. But if there was a bid that  
16 was a little bit more that might be perfect for  
17 Tennessee, we would be foreclosed from even choosing  
18 that. And I -- I understand the chairman's concerns  
19 about this.

20 And how we usually have dealt with  
21 situations like this in the past is that staff will  
22 make sure that the board members know what's going on,  
23 and staff will discuss stuff like this with the board  
24 members and try to accommodate board members' requests.  
25 This keeps us from violating the Open Meetings Act, but

1 if there was something that couldn't be accommodated  
2 and that needed discussion and the board's vote, then  
3 we could bring the matter up at the next meeting. But  
4 we have not announced not-to-exceed numbers in the past  
5 for any RFPs that we've issued. Even in the RFP or in  
6 a meeting such as this.

7 CHAIRMAN PORTER: And remember too,  
8 and we haven't had to do this very often, but there's  
9 always the emergency meeting where we could have a  
10 teleconference if something drastic came up during that  
11 RFP if we needed to call something really quick, so  
12 that gives us another option too.

13 So you've heard -- you've heard mine  
14 and Lynn's thoughts. Other board members? How do you  
15 feel? What do you want to do?

16 MR. BILBREY: Yes. What do you  
17 actually want to do, I guess, is what we are all  
18 wondering here because you're right; it's nonstandard,  
19 and we don't need that in there; correct. But we can  
20 all -- we can have a number in mind that we would want  
21 to bring back and discuss anything above and beyond,  
22 but we don't have to advertise that, you know. It's  
23 strictly a control mechanism from an expenditure at  
24 that point. Nothing to do with the procurement  
25 process.

1 MS. QUESTELL: I guess I would ask  
2 that the board just simply strike this from the agenda.

3 MR. BILBREY: So moved.

4 CHAIRMAN PORTER: We have a motion  
5 that we strike Item b. ii from the agenda. Is there a  
6 second?

7 MR. TAYLOR: Second.

8 CHAIRMAN PORTER: Second, Mr. Taylor.  
9 We have a motion by Mr. Bilbrey and a second by  
10 Mr. Taylor that we strike Item 1 b. ii. from the  
11 agenda. Is there discussion?

12 (No response.)

13 CHAIRMAN PORTER: Hearing none, all  
14 in favor say aye.

15 (Board members respond "aye.")

16 CHAIRMAN PORTER: All opposed, like  
17 sign.

18 (No response.)

19 CHAIRMAN PORTER: Motion carried.  
20 Very good.

21 Next item is consider authorizing  
22 commendation to Mr. Don Johnson for his years of  
23 faithful and professional service to 911.

24 MS. QUESTELL: As you-all know, Don  
25 has moved on to CTAS, and we would just like the board



1 to vote for the staff to get him a plaque that  
2 expresses our deep appreciation for his years of  
3 faithful service to the 911 program in our state. He  
4 was the last of the original employees from when the  
5 board was formed, and he's respected by all, loved by  
6 all, and we will miss him very much and would like the  
7 board to express this appreciation.

8 CHAIRMAN PORTER: Do I here a motion?

9 MS. COBB: I so move and ask that he  
10 be invited to our next meeting to present that and  
11 spend time with us.

12 CHAIRMAN PORTER: I have a motion by  
13 Ms. Cobb. Do I have a second?

14 MR. TAYLOR: Second.

15 CHAIRMAN PORTER: I think Mr. Taylor  
16 is the second that we do the plaque for Mr. Johnson and  
17 invite him back to our next meeting to present it to  
18 him and to be able to spend some time with him after  
19 the meeting. Any discussion?

20 (No response.)

21 CHAIRMAN PORTER: Don did a great  
22 job. We're really going to miss him.

23 All in favor say aye.

24 (Board members respond "aye.")

25 CHAIRMAN PORTER: All opposed, like

1 sign.

2 (No response.)

3 CHAIRMAN PORTER: Motion carried.

4 Next item -- the one we've all been  
5 waiting for -- consider recommendations of the funding  
6 committee regarding increasing wireless revenue  
7 distributions to ECDs (including gradual phaseout of  
8 Rural Dispatcher Grant).

9 Lynn, do you want to jump in and take  
10 us off on this one?

11 MS. QUESTELL: Yes. Thank you,  
12 Mr. Chairman. Well, this is an issue that has touched  
13 upon some statutory requirements and the TACIR study,  
14 and so I'm going to be -- this may take a little while  
15 because I want to make as good a record as possible to  
16 keep everything just right.

17 (Slideshow presented.)

18 As you may recall, TACIR recommended  
19 that the board create the funding committee. And in  
20 its report, TACIR stated the TECB, with input from an  
21 advisory committee from ECDs, local governments, and  
22 other 911 technical experts, should provide direction  
23 and data on what 911 fees are expected to cover and  
24 recommend a more specific funding method, if needed,  
25 and any legislative changes required.

1                   Well, the funding committee has  
2     worked really hard to comply with TACIR's directive.  
3     It's met regularly since February of 2006. It's  
4     discussed evidence and policy. It's been a lot of  
5     work, but I think in the end, it's been a very valuable  
6     experience.

7                   And on behalf of the board, I really  
8     want to thank each member of the funding committee.  
9     This was quite a commitment. It was a lot of really  
10    smart people, and I feel that my knowledge about how  
11    ECDs are funded and stuff is greatly increased.

12                  As part of the committee's work, the  
13    committee made some factual findings and some policy  
14    recommendations, and I encouraged this because of my  
15    experience as an administrative lawyer. When decisions  
16    are justified by facts, they are seldom, if ever,  
17    reversed for being arbitrary and capricious, and I want  
18    this decision to be made on totally firm ground. So  
19    we've got facts that the funding committee made  
20    findings on. And these findings were based on a survey  
21    that staff conducted of the districts, the annual  
22    report, U.S. Census data, the Tennessee Code, and  
23    transcripts from board meetings.

24                  And so -- you can go on to the next  
25    one. There are -- okay. Keep going. (Slides

1 advance.) Has everyone had a chance to read these?

2 CHAIRMAN PORTER: Can I have a motion  
3 on the floor?

4 MS. QUESTELL: We need to go back  
5 to --

6 MR. TRAVILLION: I'm sorry.

7 MS. QUESTELL: That's fine. Okay.  
8 Now, go to -- go forward. Go next one.

9 CHAIRMAN PORTER: Boy, a few sick  
10 days off and . . .

11 MS. QUESTELL: I'm just going to read  
12 them so they're in the record and everyone knows what  
13 they're saying.

14 One of the findings was 85 percent of  
15 Emergency Communications Districts in Tennessee serve  
16 areas with a population of less than 70,000. What this  
17 means is we are still primarily a rural state when it  
18 comes to 911.

19 Approximately 50 percent of the  
20 districts provide dispatch services.

21 Over 80 percent of the districts  
22 report that their financial health is good or fair.  
23 Actually, of the, I believe it was, 88 districts that  
24 responded to this question, only six described their  
25 financial health as poor. Okay. That was that one.

1                   Okay. Less than 10 percent of the  
2     districts report their financial health as poor, and  
3     all of those in this group provide dispatch services.  
4     That was a key issue.

5                   Okay. 50 percent of the districts  
6     have rates at or below rates that they can set for  
7     themselves which is 65 cents for residential lines and  
8     a dollar fifty for business.

9                   General consensus among districts is  
10    that landline subscription across the state is  
11    declining. The decline, however, is gradual.

12                  Three districts are deemed to be  
13    financially distressed.

14                  In addition to financial support from  
15    the districts, two grants, seven reimbursement  
16    programs, payment for various telco services, the  
17    districts received 25 percent of all the 911 funds  
18    received by the board, which is distributed by statute  
19    by population.

20                  And the four largest districts  
21    received substantially more 911 calls than other  
22    districts.

23                  These are the findings of fact. Is  
24    there -- are there any of these points that the board  
25    would like to discuss?

1                   CHAIRMAN PORTER: Is it my  
2 understanding we need to vote on these findings of  
3 fact?

4                   MS. QUESTELL: What I'd like to do,  
5 if possible, is vote on everything at the end. I think  
6 that will save a lot of time. But I just want to give  
7 everyone a chance to discuss this right now.

8                   Okay. Well, if there are no  
9 objections, I'll move on to the recommendations.

10                  Okay. You can move on to the next  
11 one. These recommendations were discussed early by the  
12 funding committee, and they're just basically policy  
13 issues that they wanted you to be aware of. The  
14 funding committee unanimous -- and these are unanimous  
15 recommendations of all the members of the funding  
16 committee who were present which was all but one.

17                  Okay. Additional funding to the  
18 districts should be provided to districts at this time.

19                  The second policy recommendation: At  
20 least minimal emergency communication service should be  
21 available throughout Tennessee from devices that are  
22 able to connect to 911.

23                  As far as what 911 fees should cover,  
24 the funding committee believed that ECDs and local  
25 government should continue to have flexibility in

1 determining what should be covered by 911 fees provided  
2 the fees are expended in accordance with the revenue  
3 standards and, of course, with the law which requires  
4 that 911 funding be spent solely in the operation of  
5 the district.

6 ECDs and local governments should  
7 continue to have flexibility in determining what costs  
8 should be covered by local funding, meaning from  
9 sources other than 911 fees.

10 They also recommended that the board  
11 should continue to provide cost recovery to wireless  
12 carriers, subject to availability of funds and  
13 balancing the priorities of ECDs.

14 They further recommended that the  
15 board should continue its funding -- continue funding  
16 its equipment reimbursement programs.

17 And it should continue to provide  
18 funding for the stand-alone public safety answering  
19 points for trunking and routing costs that would not be  
20 imposed on districts that are actually served by the  
21 incumbent local exchange carriers.

22 They also, as a matter of policy,  
23 voted to provide -- that the board should provide  
24 financial support for the Next Generation 911 project.

25 Okay. That's it. Did -- are there

1 any of these recommendations that the board has  
2 questions about or objects to or wishes to discuss? If  
3 the board has no objections, I would ask that the  
4 committee's recommendations and that the supporting  
5 documentation be made an exhibit to the transcript of  
6 this meeting.

7 (Marked Exhibit 2.)

8 CHAIRMAN PORTER: You've heard the  
9 request of staff. Do I hear a motion?

10 MR. TAYLOR: So moved.

11 CHAIRMAN PORTER: Motion by  
12 Mr. Taylor. Do I have a second?

13 MS. COBB: Second.

14 CHAIRMAN PORTER: Second by Ms. Cobb.  
15 Any discussion?

16 (Off the record.)

17 CHAIRMAN PORTER: Hearing no  
18 discussion, all in favor say aye.

19 (Board members respond "aye.")

20 CHAIRMAN PORTER: All opposed, like  
21 sign.

22 (No response.)

23 CHAIRMAN PORTER: Motion carried.  
24 Okay.

25 MS. QUESTELL: There's one more item



1       that I would like to kind of mention. When I -- I was  
2       the chairman of this committee, and as a matter of  
3       freedom of speech and not wanting to quash anyone's  
4       ideas, I offered to allow any member of the committee  
5       to provide a written addendum to the committee's  
6       report. I didn't -- I didn't want to have them  
7       thinking that I was trying in any way to keep them from  
8       voicing their opinions.

9                       One member of the committee, Mike  
10       Cuddy, took me up on this offer and has written an  
11       addendum in which he expresses some opinions on trends.  
12       Let me assure you that he voted for all of the findings  
13       of fact and all of the recommendations, but he had an  
14       additional two cents that he wanted to bring to your  
15       attention. And I'm just going to let you read his  
16       addendum up there rather than reading it into the  
17       record. (Addendum shown on screen.)

18                      Okay. And also the board members  
19       have been provided with this information in their  
20       packets so they -- this is attached to the  
21       recommendation of the funding committee. Basically  
22       it's a concern about Voice over IP tariffs and growth.

23                      CHAIRMAN PORTER: Is this addendum,  
24       or whatever this was, made part of -- this was  
25       submitted to the funding committee; right? As --

1 MS. QUESTELL: No, it was not. The  
2 funding committee did not review this. This is just  
3 something that he independently sent in.

4 CHAIRMAN PORTER: After the funding  
5 committee was over?

6 MS. QUESTELL: Correct. So the  
7 funding committee has not read this. The funding  
8 committee has not voted on this. This is just opinion  
9 from Mr. Cuddy.

10 MS. REED: And as Lynn mentioned,  
11 during the funding committee meetings, what -- what  
12 happened in the last meeting is the funding committee  
13 voted on everything that had been presented on the  
14 findings of facts, the policy issues, and the funding  
15 proposal, but then, because of time constraints, Lynn  
16 had to prepare a report, a written report, and then  
17 distribute it to them individually to comment on. And  
18 so because of that timing constraint, she said, I'm  
19 going to prepare a report. If there's something in  
20 addition, if there's an addendum that you want to  
21 submit, then we will make that part of the report to  
22 the board.

23 But it's not -- this addendum was  
24 just by one individual committee member. It was not  
25 from the committee as a whole. But we did feel it was

1 important to make it an addendum to the report because  
2 of the timing issues.

3 CHAIRMAN PORTER: Is there anybody  
4 that wants this to be part of our findings of fact or  
5 whatever as far as the board goes?

6 MR. BILBREY: Question. Can we not  
7 just accept this as information, not that -- that it's  
8 not from the funding committee and not a part of what  
9 we actually voted on, but it's information in addendum,  
10 but it's information only; that we are not voting on it  
11 one way or the other?

12 MS. QUESTELL: Yes, you could do  
13 that.

14 MR. BILBREY: We can accept it as  
15 good -- really good backup information as such or just  
16 good information that we need to know. Is that  
17 logical? Because it hasn't gone through the funding  
18 committee per se.

19 CHAIRMAN PORTER: Yeah, my concern  
20 is --

21 MS. REED: I think the -- what --  
22 TACIR's directive was for you-all to give a report to  
23 TACIR based on input from a funding committee and  
24 others and -- so I think it's important that your  
25 report be very clear. And, in other words, this is

1 from a funding committee member, and it would -- you  
2 know, it would help flesh out the report to TACIR if  
3 you-all could say that you saw this and you considered  
4 it and that you did not adopt to make that part of your  
5 findings to TACIR, if that's the direction you want to  
6 go with it, or adopt it and make it part of the report  
7 to TACIR.

8 CHAIRMAN PORTER: Mr. Smith.

9 MR. SMITH: First, let me say I want  
10 to commend everyone that worked on that committee. I  
11 had a unique opportunity to serve on that committee for  
12 a short period of time before sitting in this seat.  
13 And I'm quite aware of the exhaustive amount of  
14 information that was assessed and accumulated and the  
15 hard work that went into all of that.

16 And my point is this: I think we had  
17 very ample opportunity for solicitation -- well, we  
18 solicited at least once, if not every meeting, for any  
19 contributions from any 911 director, board member. We  
20 made the process as open as possible. I just have a  
21 concern that this arrives at this point when this is  
22 presented to us, and if we do choose to do that, I  
23 would just like to see that all of that data and all of  
24 that information be included or either this be attached  
25 to the previous information that was a part of all of

1 the solicitation that we asked for across the state,  
2 not one final opportunity. But I don't know -- and you  
3 may want to address this question. Will we make it  
4 available for everyone else to have one last chance to  
5 say your peace, so to speak?

6 MS. QUESTELL: We gave everybody a  
7 chance to file an addendum. Only Mr. Cuddy chose to do  
8 that. You're right. We tried to make this as open a  
9 process as possible. We actually had people -- we  
10 fixed it so people could call in and listen and  
11 participate by phone. And we -- although the committee  
12 was a set number of people, we opened it up and held  
13 public meetings so anybody could attend. And the  
14 evidence was gone through quite thoroughly I think.

15 I guess my question is just this is  
16 an attachment to the funding committee's  
17 recommendations and that's going to be made part of the  
18 package that I present to TACIR. But I'm also going to  
19 do a memo to TACIR that describes in great depth what  
20 the board decides. And so I guess what I'm looking for  
21 here is whether the board wants to include this  
22 addendum as part of its specific decision that I will  
23 be reporting to TACIR.

24 MS. COBB: Personally I think  
25 Mr. Cuddy's vote in favor of the findings is his chance

1 to speak.

2 CHAIRMAN PORTER: That's very well  
3 put.

4 MR. BILBREY: And can I -- going back  
5 to what Steve said. You know all of the information  
6 that was received by any and everyone is backed up to  
7 the actual report made by the funding committee. Our  
8 concern here is strictly with what came through the  
9 funding committee and was voted on it -- voted on and  
10 presented by them to us and not from a single  
11 individual per se. And what we've just accepted was  
12 what came from the funding committee.

13 CHAIRMAN PORTER: That's right.

14 MR. BILBREY: But if we're going to  
15 accept this as information, then you're right, we  
16 should accept everybody's, I think, personally, all of  
17 the information that was received as backup information  
18 not just from one person per se. Now, that's just my  
19 opinion because I think any information should have  
20 gone through the entire committee because that's what  
21 we were really -- what the committee was organized to  
22 do and what we were supposed to be accepting. From my  
23 standpoint that's what I understand. Now, if it's  
24 different from that . . .

25 MS. QUESTELL: I guess I'm asking:

1 Do you want to adopt this as part of your findings to  
2 TACIR?

3 MS. COBB: Mr. Chairman, will you  
4 accept a motion?

5 CHAIRMAN PORTER: Yes.

6 MS. COBB: I move that we do not  
7 include this with our presentation to TACIR.

8 MR. RICH: Second.

9 CHAIRMAN PORTER: We have a motion by  
10 Ms. Cobb and a second from Mr. Rich that we not include  
11 the addendum from Mr. Cuddy in our items that will go  
12 to TACIR in our TACIR report. Is there a discussion?

13 (No response.)

14 CHAIRMAN PORTER: Hearing none, all  
15 in favor say aye.

16 (Board members respond "aye.")

17 CHAIRMAN PORTER: All opposed, like  
18 sign.

19 (No response.)

20 CHAIRMAN PORTER: Motion carried.

21 MS. QUESTELL: Then the final item  
22 that the funding committee voted on, the big thing, the  
23 funding proposal, I'd like to describe that. The  
24 recommendations and the findings of fact provide the  
25 basis for this recommendation. I want to start out

1 with the statutory authorization for this  
2 recommendation. According to Tennessee Code Annotated  
3 7-86-303(d) after providing for necessary and  
4 reasonable operating expenses of the board and after  
5 implementing statewide wireless E911 service pursuant  
6 to standards established by the board, the board may  
7 distribute any excess revenue to each emergency  
8 communication district for the purposes of promoting  
9 uniform 911 service and those stated in the law. But  
10 before the board does that, it must first determine  
11 that such distribution is possible and practicable;  
12 does not threaten the solvency of the 911 emergency  
13 communications fund; and is consistent with Tennessee  
14 Code Annotated 7-86-306 which authorizes the board to  
15 expend funds to implement, operate, maintain, or  
16 enhance E911 service statewide. That's the statutory  
17 basis for the funding committee's recommendations.

18 In a nutshell, what the funding  
19 committee has recommended is that the board would  
20 distribute 14 million every year as a contribution to  
21 the district's operating costs. This would be in  
22 addition to all of the board's current funding programs  
23 except the 30,000 annual rural dispatch grant which  
24 would be phased out over time. Staff has a  
25 recommendation on that which I will explain in a



1 minute.

2                   To assure that the rural districts  
3 are not hurt by the phaseout and in recognition that  
4 there are basic costs to provide 911 service no matter  
5 what the size of the district or the population, it's  
6 proposed that \$40,000 be distributed to each district  
7 per year. The remainder of the 14 million, which would  
8 be 9.96 million, would then be divided among the  
9 districts based on seven population groups. A set  
10 amount would be allocated to each group based on  
11 average audited cost ratios of each of the population  
12 groups determined from an analysis of audited financial  
13 statements from the years 2004 to 2005 -- that's fiscal  
14 year 2004, 2005. In figuring this calculation, all  
15 personnel costs including salaries and benefits were  
16 excluded. And that was to assure more equal treatment  
17 between districts that dispatch and those that don't.  
18 Each of the seven -- each district in each of the seven  
19 population groups would get the same dollar amount.

20                   The districts would be assigned  
21 population groups based on U.S. Census Bureau  
22 population estimates for 2005. We recommend updating  
23 the population figures and the calculation of the  
24 audited cost ratios for the funding program every five  
25 years. So we would use actual census figures in 2010,

1 and then population estimates again beginning in 2015.  
2 This program would be funded with incoming revenue  
3 because recurring expenditures cannot come from the  
4 fund balance. Staff calculates that adding the program  
5 in addition to the board's other programs, including  
6 the Next Generation 911, will not place the board's  
7 funding at risk in that over the next ten years the  
8 fund balance should be reduced to no less than  
9 12.5 million.

10 And I just need to interject here  
11 that the reason that the board has these funds to  
12 provide to the districts at this point is because of  
13 its careful and conservative stewardship of the 911  
14 fund. And I also want to assure the board that staff  
15 will keep very careful watch over the status of the  
16 funds if the board votes to put this program into  
17 effect.

18 Again, staff proposes that the Rural  
19 Dispatcher Grant be phased out over the next fiscal  
20 year to end on June 30, 2007. The problem is the  
21 grants don't all start on the same date, so they would  
22 be phased out using pro rata payments with the end date  
23 being June 30, 2007. There's one exception and that  
24 would be LaFollette because its grant term started on  
25 July 15, 2006, and it's already gotten its funds. And

1 to avoid a whole lot of paperwork -- it's only two  
2 extra weeks -- we would ask that the board just simply  
3 give them a pass and let theirs end on July 14, 2007.

4 The committee also recommended that  
5 the board stipulate that it would not reduce the annual  
6 distribution of this program below 14 million except by  
7 unanimous vote of members present. Though the  
8 distribution could be increased by a simple majority  
9 vote.

10 The plan would be to distribute the  
11 funds every two months at the same time that the board  
12 makes a statutory distribution of the 25 percent of the  
13 wireless revenue. It would be proposed that the  
14 distributions would start in February of 2007, and they  
15 would include all of the distributions that would have  
16 accrued since July 1, 2006, the beginning of the fiscal  
17 year. It would run from fiscal year to fiscal year.

18 The proposal is also that  
19 consolidated districts would continue to receive what  
20 they would have individually received had they not been  
21 consolidated. That's consistent with every other  
22 policy that the board has with consolidated districts.

23 With that explanation, are there any  
24 questions?

25 (No response.)

1 MS. QUESTELL: Okay. Again, TACIR  
2 asks the board to provide direction and data on what  
3 911 fees are expected to cover and recommend a more  
4 specific funding method, if needed, and any legislative  
5 changes required. As I mentioned earlier, I intend to  
6 draft a report to TACIR consistent with this directive,  
7 and so there are -- I think it would be much more  
8 expeditious if the board -- I list the things that I'd  
9 like the board to weigh in on, and we'll try to do this  
10 kind of all at one time so long as there's no  
11 discussion or any comments that anyone wants to make.

12 MS. REED: Can I say one thing? You  
13 described in general the funding plan, but also you-all  
14 had in your packets a write-up that showed the actual  
15 dollar amount that each of the seven population groups  
16 would get. So I want to make sure that it's clear that  
17 the board is aware of those amounts and that that's  
18 part of what you-all are considering.

19 MS. QUESTELL: And that chart has  
20 been distributed to all of the districts. We e-mailed  
21 it last month, and it remains unchanged. The only  
22 thing that really remains changed is we had thought  
23 about -- never mind. This was a very complicated  
24 thing, and I'm just going to cut to the bone of it. I  
25 could go on for a very long time about this, but I

1       won't.

2                       CHAIRMAN PORTER:   Please don't.

3                       MS. QUESTELL:   Okay.   With that in  
4       mind --

5                       MR. RICH:   Lynn?

6                       MS. QUESTELL:   Yes.

7                       MR. RICH:   I have one question for  
8       you on something you said there as you were going  
9       through.   You said "unanimous vote of the board members  
10      present."

11                      MS. QUESTELL:   Yes, sir.

12                      MR. RICH:   That doesn't say that  
13      here.   It just says "unanimous members of a board."  
14      Does that mean that everyone is going to have to be  
15      here?

16                      MS. QUESTELL:   No.

17                      MR. RICH:   Okay.

18                      MS. QUESTELL:   No.   It would just be  
19      a unanimous vote of the board members that are present,  
20      the unanimous of the quorum that's present at the  
21      meeting.

22                      MS. REED:   On the day of that vote,  
23      not of all of these members that are voting on it  
24      today.   So, in other words, when it gets brought back  
25      before the board, whoever is present that day, it would

1 have to be a unanimous vote of those members to  
2 decrease the fund.

3 MS. QUESTELL: But that's only to  
4 decrease the fund, not to increase it.

5 Okay. All right. We would ask the  
6 board to vote on the funding committee's factual  
7 findings; the funding committee's policy  
8 recommendation. We've already voted on the addendum.  
9 So you don't need to do that. Whether the proposed  
10 14 million annual distribution of funds as proposed by  
11 the funding committee is possible and practicable;  
12 whether such distribution threatens the solvency of the  
13 911 emergency fund; whether such distribution is  
14 consistent with 7-86-306 which authorizes the board to  
15 expend funds to implement, operate, maintain or enhance  
16 statewide E911 service; the funding committee's  
17 recommendations on the funding program including the  
18 recommendations on additional funding; phasing out the  
19 Dispatcher Grant in the manner recommended by staff;  
20 reducing the amount of the distribution only with a  
21 unanimous vote of members present; and allowing  
22 consolidated districts to receive the amount that they  
23 would have received had they not been consolidated;  
24 whether with the adoption of these findings and  
25 recommendations, legislature changes are required; and,

1 finally, whether to dissolve the funding committee now  
2 that its work is done and also whether to -- and I hope  
3 you will do this -- officially commend the participants  
4 of the funding committee.

5 CHAIRMAN PORTER: And do we need to  
6 do each one of those individuals?

7 MS. REED: It's up to the board.

8 MS. QUESTELL: I think that's really  
9 up to the board. If anyone desires that, perhaps they  
10 should speak up.

11 CHAIRMAN PORTER: I guess my question  
12 is: Can we do them all in one motion?

13 MS. REED: Yes. Someone could make a  
14 motion that would incorporate all of those, and if the  
15 board votes on it that way, that would be fine.

16 MR. TAYLOR: I so move, Mr. Chairman.

17 MS. COBB: I second.

18 CHAIRMAN PORTER: I have a motion  
19 from Mr. Taylor and a second by Ms. Cobb that we  
20 approve all of the items as submitted by the executive  
21 director concerning the \$14 million and the disbursing  
22 of that out to the districts and all of the items that  
23 go along with that. Does that cover us, Carolyn?

24 (Ms. Reed moves head up and  
25 down.)

1 CHAIRMAN PORTER: Okay. Is there  
2 discussion?

3 MS. COBB: I would like to add -- and  
4 I believe Mike probably would agree with this -- that  
5 also includes extending the 15 days for LaFollette  
6 accounting.

7 MS. QUESTELL: Yes, thank you.

8 MR. TAYLOR: Certainly.

9 CHAIRMAN PORTER: Is that okay,  
10 Mr. Taylor?

11 MR. TAYLOR: Yes, certainly. That  
12 what was the original intent.

13 CHAIRMAN PORTER: Any other  
14 discussion?

15 (No response.)

16 CHAIRMAN PORTER: Hearing none, all  
17 in favor say aye.

18 (Board members respond "aye.")

19 CHAIRMAN PORTER: All opposed, like  
20 sign.

21 (No response.)

22 CHAIRMAN PORTER: Motion carried.  
23 You know, folks, I think -- I said when we gave the 150  
24 million out -- 150,000 out to each district back a few  
25 months ago that that was the greatest thing that we had



1     done for 911 in a while. I think today we just upped  
2     that mark considerably because I think -- you know,  
3     just in talking to the little districts that I've had a  
4     chance to in the past two months over this thing,  
5     everybody is so excited about it and what it's going to  
6     be able to do for the districts. So I think we've done  
7     a great thing here today, and I think the next step is  
8     inching out more in E911. You know, I think this --  
9     we're moving rather quickly and doing some great  
10    things. So I applaud --

11                   MR. RICH: Mr. Chairman --

12                   CHAIRMAN PORTER: -- the committee  
13    and the -- everyone that's been involved in that and  
14    also the board for doing that. Mr. Rich.

15                   MR. RICH: We just telephonically had  
16    a call from Bristol, Tennessee, Sullivan County,  
17    Mr. Lowry saying that even though he could not vote, he  
18    wanted you to know he worked on this, and he thoroughly  
19    supported the board on what we just done.

20                   CHAIRMAN PORTER: Well, that's great.  
21    Tell Mr. Lowry we hope he's feeling better and to hurry  
22    up and get back.

23                   All right. Lynn, is there anything  
24    else we need to do on Item No. 2 then?

25                   MS. QUESTELL: No, thank goodness.

1                   CHAIRMAN PORTER:  Y'all don't  
2     realize -- well, some of you do that were involved -- I  
3     know Steve does -- that were involved in the committee,  
4     but the work that Lynn and Carolyn have put together on  
5     the -- on this funding thing.  I know it's been an  
6     absolute nightmare trying to get that many people  
7     together that often and working through something this  
8     big and to be able to bring it this quickly and to do  
9     what they've done, I think they deserve our credit also  
10    for doing what they've done.  So thanks, Lynn.

11                   MS. QUESTELL:  Thank you,  
12    Mr. Chairman.  I would also like to say that this has  
13    truly been a group effort from staff.  Every person in  
14    our staff has been involved in this to a great degree,  
15    and they've just totally stepped up to the plate.  This  
16    has been a whole layer of additional stuff we've had to  
17    do, and they've just really done a remarkable job and  
18    their efforts are truly appreciated.  This could not  
19    have been done without every single person on our  
20    staff.

21                   CHAIRMAN PORTER:  You get your annual  
22    pat on the back today.  So you're good for another  
23    year.

24                   MS. QUESTELL:  Thank you.

25                   CHAIRMAN PORTER:  Let's move on to

1 Item No. 3 then. Consider recommendations of the  
2 operations committee regarding standards for backup  
3 PSAP and local contingency plans (including proposed  
4 amendments to Policy 33).

5 MS. QUESTELL: The operations  
6 committee has been working diligently on  
7 recommendations regarding backup procedures. And the  
8 members have recommended the following amendments to  
9 Policy 33 which sets out the standard of care.

10 Carolyn, would you please read the  
11 proposed amendment.

12 MS. REED: Yes. These would be two  
13 additional paragraphs to Policy 33, so it would start  
14 with Paragraph No. 4. No later than 12 months from the  
15 adoption of this amendment, arrange with other PSAPs  
16 within the district or within a close proximity for 911  
17 call answering in the event of a major equipment  
18 failure or PSAP evacuation.

19 And then there's a footnote that  
20 says, typically, alternate routing of 911 calls to an  
21 adjacent PSAP or a mobile PSAP unit would be considered  
22 a short-range plan with a projected duration of less  
23 than a week. This gives the PSAP and ECD managers time  
24 to implement more long-range plans when reoccupancy of  
25 a PSAP will be delayed due to fire, tornado damage, or

1 other significant events.

2 Back up to the policy main text. In  
3 cases where a PSAP is so large that another PSAP within  
4 close proximity cannot adequately provide call  
5 answering, then that PSAP should establish an alternate  
6 answering center or arrangement that ensures that 911  
7 calls do not go unanswered. It is strongly recommended  
8 that ECDs develop partnerships with adjacent ECDs to  
9 avoid building backup PSAP facilities or mobile PSAP  
10 units that are unused the majority of the time.

11 Paragraph No. 5. Prepare and  
12 regularly test at least annually a PSAP operations  
13 continuity plan that specifically provides procedures  
14 for on-duty personnel and the rerouting of 911 calls,  
15 switchover to backup systems, evacuation plans,  
16 temporary call answering plans, return to normal plans  
17 or other plans that ensure that 911 calls do not go  
18 unanswered. Parenthesis, the TECB will provide upon  
19 request a model plan that can be customized for  
20 individual PSAPs.

21 MS. QUESTELL: I would also just like  
22 to also add before the board votes on that that the  
23 operations committee has really done a great job with  
24 this. They've worked very hard. They are a great  
25 group to work with; there's tremendous expertise. They

1 voted unanimously on this policy. And they continue to  
2 work on other policies and ways to improve operations  
3 in the PSAPs. They were so devoted that at the TEMA  
4 conference, they actually met at 7:30 in the morning to  
5 address the backup PSAP issue, which was early. But  
6 that is the recommendation.

7 CHAIRMAN PORTER: They were -- their  
8 chairman was head geek Rex there, I think. Us tech  
9 geeks, you know, we're into stuff like that, so they  
10 did a great job on this.

11 What's the rule of the board on  
12 amending Policy No. 33 as presented?

13 MR. BILBREY: So moved.

14 CHAIRMAN PORTER: I have a motion  
15 from Mr. Bilbrey. Do I have a second?

16 MS. COBB: I'll second.

17 CHAIRMAN PORTER: Second by Ms. Cobb.  
18 Any discussion?

19 MR. HOLLAWAY: Mr. Chairman, let me  
20 just comment because this was asked by me -- to me  
21 of -- by a couple of directors. What we're trying to  
22 say here is the 12 months -- we're not expecting  
23 anybody to go buy equipment and purchase a lot of new  
24 resources or anything by the 12 months; we just want a  
25 plan that says for right today -- I mean this ought to

1 be put in place today, not in 12 months -- that you  
2 have someplace to send your calls if you have to  
3 evacuate your center --

4 CHAIRMAN PORTER: Right.

5 MR. HOLLAWAY: -- until you can get  
6 something more concrete in place which is more your  
7 long range -- your long-range, short-range plan.

8 CHAIRMAN PORTER: Okay. Any other  
9 discussion?

10 MS. QUESTELL: Rex, could you also  
11 explain about the document that you will be sending out  
12 upon request?

13 MR. HOLLAWAY: Oh, yes. And the fact  
14 that there is a PSAPs continuity plan and it's going to  
15 address things like what happens when you have certain  
16 symptoms: You lose ally; you lose 911 calls; your  
17 seven digits aren't working; various things that could  
18 fail. This is kind of a template of a document you can  
19 customize for each district, and we'll make this  
20 available to every district, but to help them have  
21 specific telephone numbers to dial, people to call,  
22 things to do to ensure that 911 calls continue to be  
23 answered without disruption. So, again, it will be  
24 available to all districts.

25 MR. BILBREY: And that is a good

1 guideline. Everybody really needs to use it.

2 CHAIRMAN PORTER: Yeah, they do. It  
3 stops people from having to recreate the wheel if  
4 everybody will do that. Other discussion?

5 (No response.)

6 CHAIRMAN PORTER: Hearing none, all  
7 in favor say aye.

8 (Board members respond "aye.")

9 CHAIRMAN PORTER: All opposed, like  
10 sign.

11 (No response.)

12 CHAIRMAN PORTER: Motion carried.  
13 Okay. We're down to our five rate increase extensions.  
14 And as you know, we did our first group of these at the  
15 last board meeting, and we can normally run through  
16 these pretty quick. We don't disseminate as much  
17 information on these as we do with a regular rate  
18 increase request.

19 Jim, are you going to take Don's  
20 place today?

21 MR. BARNES: Yes, sir.

22 CHAIRMAN PORTER: Okay. You have big  
23 shoes to fill; you understand that, I hope. So don't  
24 be nervous; don't let that make you nervous. But we'll  
25 get started with these.

1                   MR. HOLLOWAY: I'm going to take care  
2 of the hard part.

3                   CHAIRMAN PORTER: You're going to do  
4 the hard part?

5                   MR. HOLLOWAY: Yeah; right.

6                   CHAIRMAN PORTER: I got you. We'll  
7 start with Gibson County as our first one.

8                   MR. HOLLOWAY: Okay. The site visit  
9 was conducted on August 15 of this year. And I met  
10 with Bob Moore, the current director of the ECD, and it  
11 was a follow-up to the original site visit on October  
12 22nd of 2002. They have an increase of about 200 calls  
13 per month over the average that we saw in 2002.  
14 They've added two part-time positions since we were  
15 there in 2002, and currently all police departments and  
16 fire EMS calls for the county are received and  
17 dispatched by the Gibson PSAP.

18                   And if you'll look at the photos  
19 there, you can see -- I believe we've got some before  
20 and after photos. They've essentially moved from a  
21 button technology to a point and click which means  
22 they've moved to all computers for all their equipment.  
23 They've also had several furniture and other equipment  
24 upgrades, and they have a very high-tech PSAP. Not to  
25 mention the fact that this is a very secure PSAP from



1 weather and other dangers that might be present.

2 And with that, I'll turn it over to  
3 Mr. Barnes.

4 MS. QUESTELL: If I might interject,  
5 is a representative from Gibson County here? If they  
6 are -- Bob, would you, please, come forward just in  
7 case the board has any questions. Thank you very much.  
8 Okay, Jim. Thanks.

9 MR. BARNES: Gibson County's rate  
10 that they're under right now went into effect on  
11 January the 15th of 2003. And since that time, with an  
12 analysis that Don has done -- let me clarify that  
13 immediately. Don did the analysis and did the write-up  
14 so far --

15 CHAIRMAN PORTER: If there's anything  
16 wrong, we can blame Don.

17 MR. BARNES: Don did it. Don did it.  
18 So I'm just the presenter today on this. From looking  
19 at the effect on the change in net assets that's  
20 happened since that point in time, basically they have  
21 been in -- basically operating in the black or with no  
22 real change in net assets.

23 In 2005 there was a decrease in the  
24 change in net assets, but also from looking at the  
25 reports, there was also a \$30,000 decrease in other

1 revenue at that point in time, so it did not -- was not  
2 in effect of the rates.

3 Looking at the audit reports for the  
4 last five years: 2002. There's no audit findings.  
5 2003. There were a couple of findings dealing with  
6 exceeding budget expenditures and one on an  
7 uncollateralized deposit. And I believe -- I won't  
8 interpret that. But in 2004 there was a finding on the  
9 underinsured surety bond, and in 2005 there were no  
10 audit findings. So they have been basically keeping  
11 good records, financial records and reports.

12 Looking at the analysis on tables 2  
13 and tables 3, tables 2 and 3, the tables indicate and  
14 the study indicates that their change in net assets  
15 projected for 2007 would be a positive of \$21,084, and  
16 there would be a slight loss or a decrease, a negative  
17 change in net assets from 2008 to 2009 of \$184,242 and  
18 \$224,500 projected up to the 2009 year.

19 The estimates are conservative as far  
20 as revenue, and the expenditures are projected at  
21 slight inflationary figures.

22 The recommendation of the staff is  
23 that the district has requested extension based on the  
24 desire to install microwave lengths from the base radio  
25 to the repeaters to improve radio communication, to add

1 structures and other data layers to the mapping system,  
2 and to replace revenues from a continuing decline in  
3 the landline revenue. Based on the technical,  
4 operational, and financial review of the district the  
5 TECB director of technical services and the auditor  
6 agree that the request is reasonable and that no  
7 information indicates the districts' rate increase  
8 should not be extended.

9 CHAIRMAN PORTER: Any questions of  
10 Jim or Rex on the financial or the technical report of  
11 Gibson County?

12 (No response.)

13 CHAIRMAN PORTER: Any questions of  
14 Gibson County, the district representative present?

15 MR. TAYLOR: Mr. Chairman, I would  
16 just like to say that Gibson County is a neighbor.  
17 Mr. Moore has helped a lot of folks in West Tennessee.  
18 His district operation is one we all should be  
19 emulating. I move we -- I move the extension.

20 CHAIRMAN PORTER: We have a motion by  
21 Mr. Taylor. Do I have a second?

22 MS. FEATHERS: Second.

23 CHAIRMAN PORTER: Second by  
24 Ms. Feathers that we extend the rate increase on Gibson  
25 County. And I have to agree; you do a great job. I've

1 visited your site and -- several years ago and you do.

2 They are -- they run a great operation down there.

3 Discussion on the motion?

4 (No response.)

5 CHAIRMAN PORTER: Hearing none, all  
6 in favor say aye.

7 (Board members respond "aye.")

8 CHAIRMAN PORTER: All opposed, like  
9 sign.

10 (No response.)

11 CHAIRMAN PORTER: Motion carried.  
12 Thank you, sir. I appreciate you coming.

13 Next one is the -- oh, we'll have a  
14 lot of problems with this one. Maury County.

15 MR. HOLLOWAY: This was a tough one  
16 to do because I knew Freddie was going to be here.

17 MR. RICH: On advice from counsel, I  
18 think I'd like to recuse myself from this vote.

19 CHAIRMAN PORTER: Let the record show  
20 that Mr. Rich has recused himself from this item due to  
21 him being the director of Maury County.

22 MS. QUESTELL: Is there another  
23 representative from Maury County that is available to  
24 answer questions?

25 MS. REED: He can answer questions.

1                   MR. RICH: I can. I brought a couple  
2 with me, and they threatened to kill me if they had to  
3 answer.

4                   MS. QUESTELL: We're delighted to  
5 have you.

6                   CHAIRMAN PORTER: We'll expect at  
7 least a two-minute song from each one of you.

8                   MR. HOLLOWAY: I was just looking at  
9 the reporter; do we need their names for the record?

10                  THE COURT REPORTER: Yes, please.

11                  CHAIRMAN PORTER: Would you state  
12 your names for the record, please.

13                  MS. HARGROVE: Ann Hargrove.

14                  CHAIRMAN PORTER: Ann Hargrove?

15                  MS. HARGROVE: Ann Hargrove.

16                  MS. MITCHELL: Susan Mitchell.

17                  CHAIRMAN PORTER: All right, Rich.

18                  MR. HOLLOWAY: All right. The site  
19 visit was conducted on September 29 with Freddie Rich,  
20 of course, providing the technical and operational  
21 information during the visit. And they had just moved  
22 from their old location. They had been there for  
23 several years; they were cramped and outdated. And, as  
24 a matter of fact, were sitting in a very low lying area  
25 that caused some sewer backup problems from time to

1 time due to some flooding in the area. So they were  
2 way past due to be moved.

3 There has been a significant  
4 improvement in technology as they purchased new  
5 equipment at the new location, but the staffing really  
6 remains pretty much the same as it was during the prior  
7 visit in 2003.

8 Residential lines have decreased by  
9 approximately 11 percent since that rate increase in  
10 2003 as well. They put in a Plant Vesta E911  
11 controller system. They've added a Southern Systems  
12 CAD, a Replay Mirror series log recorder, and the  
13 GeoLynx mapping system.

14 And, again, if you'll look at the  
15 photos, you'll see the pictures of the new site, a much  
16 more impressive site from the old one, a nicer build --  
17 nicer space and certainly larger building and the  
18 improvements also in the dispatch area itself. With  
19 that, I'll turn it over to Jim.

20 MR. BARNES: The financial analysis:  
21 Their current residential rate of \$1 and the business  
22 rate of two thirty-five were approved by the board on  
23 August the 14th of 2003, and the revenue became  
24 available to them in November of 2003. In looking  
25 at -- since the effective date of the rate changes they

1 have changed -- their change in net assets has gone  
2 from a negative to a positive in the last two years,  
3 and their audit reports have indicated that the only  
4 findings have been in budget overexpenditures. Some  
5 budget codes were expent greater than were originally  
6 budgeted. The same finding in all three years; no real  
7 material impact on their operations.

8 Analysis of the Table 3 showing the  
9 projected expenditures and revenue will indicate that  
10 in 2007 they could conceivably have a net asset change  
11 negatively of \$28,693. And then in 2008 and 2009 the  
12 negative changes are again very small, \$40,103 and  
13 \$53,709. The ending net assets for fiscal year 2009  
14 are projected to be \$734,079. And in 2009 the ending  
15 cash balance is projected to be \$153,526.

16 It's the recommendation -- the  
17 district has requested extension based on their  
18 expressed desires to continue payments on its building  
19 debt and meet the monthly expenses of the district.  
20 And based upon the technical, operational, and  
21 financial review of the district, the TECB director of  
22 technical services and auditor agree that the request  
23 is reasonable and that no information indicates the  
24 district's rate increase should not be extended.

25 CHAIRMAN PORTER: You've heard from

1     our technical and accounting folks. Is there questions  
2     of either one of those?

3                             (No response.)

4                     CHAIRMAN PORTER: Any questions of  
5     Maury's district folks?

6                             (No response.)

7                     CHAIRMAN PORTER: Any interest among  
8     the board members to review the director's salary to  
9     see --

10                            (Laughter.)

11                    CHAIRMAN PORTER: Okay. No questions  
12     then. What's the rule of the board?

13                    MS. COBB: Mr. Chairman, I make a  
14     motion to approve.

15                    CHAIRMAN PORTER: Motion by Ms. Cobb.  
16     Do I have a second?

17                    MR. SMITH: Second.

18                    CHAIRMAN PORTER: Second by Mr. Smith  
19     that we approve Maury County's rate extension. Is  
20     there any discussion?

21                            (No response.)

22                    CHAIRMAN PORTER: Very nice to see  
23     you.

24                    MR. RICH: I'd like to thank the  
25     board. I'm a prime example across the state of



1 Tennessee where you can make a move into a smaller  
2 building and we kept our same equipment, but we  
3 actually, with the help of this board, turned it into a  
4 state-of-the-art facility, and we appreciate it.

5 CHAIRMAN PORTER: You did. You have  
6 a very nice facility. Any discussion?

7 (No response.)

8 CHAIRMAN PORTER: Hearing none, all  
9 in favor say aye.

10 (Board members respond "aye.")

11 CHAIRMAN PORTER: All opposed, like  
12 sign.

13 (No response.)

14 CHAIRMAN PORTER: Motion carried.

15 Ladies and gentlemen, we only have  
16 three items left on the agenda, and those are all rate  
17 increase extensions. We're moving pretty quick. Do  
18 you want to finish or take a break?

19 MR. HOLLAWAY: Let's finish.

20 CHAIRMAN PORTER: Finish?

21 MS. QUESTELL: Yeah.

22 CHAIRMAN PORTER: Okay. Next item on  
23 the agenda is the Bradley County rate increase  
24 extension. Do the Bradley folks want to come up? Joe,  
25 would you state your name for the record and introduce

1 your guest or have her state her name also.

2 MR. WILSON: Mr. Chairman, I'm Joe  
3 Wilson, director of Bradley County.

4 MS. CASTILL: Janice Castill, finance  
5 director for the City of Cleveland.

6 CHAIRMAN PORTER: Okay.

7 MR. HOLLAWAY: Mr. Chairman, the site  
8 visit was made as a result of the request for a rate  
9 extension and based on the board action in October of  
10 2001. The site visit was conducted in September of  
11 this year. I met with Joe Wilson, director. He  
12 provided all of the necessary information.

13 And I might mention this is another  
14 case very much like Gibson of a very nice dispatch  
15 center. It reflects a great effort and a cooperative  
16 effort there in the county to merge or consolidate  
17 operations within the county as far as sheriff, police,  
18 and fire activities.

19 Since the original rate increase,  
20 they experienced a 9 percent increase in call load and  
21 have subsequently added two additional dispatchers  
22 totaling 26 call-taker dispatchers, six supervisors  
23 positions, a 911 director, and three administrative  
24 personnel including the addressing clerk.

25 They replaced the Positron Lifeline

1 with a Moducom system in 2005, so that they have a  
2 combined Moducom radio 911 system.

3 They were currently in the process,  
4 and may have already done so, of replacing the logging  
5 recorder and UPS system. And they plan on adding,  
6 again, if they haven't already done it, adding an  
7 eighth console to serve as a backup position as well as  
8 a resource to Homeland Security when some local event  
9 occurs.

10 They've also purchased laptops that  
11 will replicate most of the primary site functionality  
12 at a backup location if they have to evacuate their  
13 main location, which I will say they've got a backup  
14 plan that's pretty much already in place.

15 And I might direct you to the photos  
16 there. They installed a 911 call center which allows  
17 them to provide training to new employees -- that  
18 bottom right photo -- and makes it a lot easier to  
19 train somebody without putting them in a position and  
20 taking a live 911 call. And I think they also make  
21 this available to other counties around them as a  
22 resource if they choose to use it. And that's all I  
23 have, Jim.

24 MR. BARNES: From the financial  
25 analysis, their current rate for residential and for

1 business are a dollar fifty and \$3. They were approved  
2 by the board on November the 21st of 2001. Revenue  
3 became available in December of 2001. Since that time,  
4 the change in net assets has been consistently positive  
5 and -- with 2005 which is a \$219,663 positive change in  
6 net assets.

7 The last four audit reports, the only  
8 findings have been budget overexpenditures. It's been  
9 the same finding every year, and I know that from  
10 discussion with Janice, the Cleveland director of  
11 finance, that they are looking at that with a very  
12 serious view and trying their best to keep it under  
13 control. So I appreciate their information they  
14 provided today.

15 Looking at the Table 3 on the  
16 projection of the expenditures and revenues, the table  
17 indicates and the analysis indicates that in the 2007  
18 year there is a projected \$233,619 negative change in  
19 net assets. And in 2008 and 2009 those are also a  
20 negative at the rate of \$538,978 and \$654,372. I want  
21 to comment that those large negative changes are very  
22 much an indication of the analysis itself which holds  
23 revenue at a constant based on the current numbers of  
24 calls by the different categories -- residential and  
25 business -- and also they are held constant over that

1 same period of time and the increase -- and takes no  
2 consideration of the TEC refunding that's just been  
3 approved by the board today. So I do not expect any  
4 problems on those financial issues. The -- their  
5 ending net assets for 2009 is projected to be a  
6 negative \$84,357. And the cash balance projected at  
7 the end of 2009 projected 173,827.

8 The recommendation. The district has  
9 requested the extension based on its expressed desire  
10 to replace revenues from a continuing decline in  
11 landline revenue and to offset losses resulting from  
12 the escalating operating expenses. Based on a  
13 technical, operational, and financial review of the  
14 district, TECB director of technical services and  
15 auditor agree that the request is reasonable and that  
16 no information indicates that this rate increase should  
17 not be extended.

18 CHAIRMAN PORTER: Any questions of  
19 Rex or Jim or the Bradley folks?

20 MS. QUESTELL: I would just like to  
21 comment that Bradley County is actually offering  
22 dispatcher training classes for its neighbors, and that  
23 is really to be commended, and we appreciate it.

24 CHAIRMAN PORTER: No questions.  
25 You've heard the recommendation of the staff to

1 continue the rate increase for Bradley. What's the  
2 rule of the board?

3 MR. TAYLOR: So move.

4 CHAIRMAN PORTER: Motion by  
5 Mr. Taylor. Do I have a second?

6 MR. SMITH: I'll second.

7 CHAIRMAN PORTER: Steve. Second by  
8 Mr. Smith. And any discussions?

9 (No response.)

10 CHAIRMAN PORTER: Hearing no  
11 discussion, all in favor of the motion say aye.

12 (Board members respond "aye.")

13 CHAIRMAN PORTER: All opposed, like  
14 sign.

15 (No response.)

16 CHAIRMAN PORTER: Motion carried.  
17 Thanks, Joe.

18 MS. HARGROVE: Are we out of order to  
19 personally thank you for the additional wireless money?

20 Thank you.

21 CHAIRMAN PORTER: You get to be  
22 first.

23 MS. HARGROVE: Thank you.

24 CHAIRMAN PORTER: The next item on  
25 the agenda is the rate increase extension for Lawrence

1 County. Mr. Cheekwood, do you want to introduce  
2 yourself for the record?

3 MR. CHEEKWOOD: Johnny Cheekwood,  
4 Director of Lawrence County 911.

5 CHAIRMAN PORTER: Rex.

6 MR. HOLLAWAY: All right. The  
7 original Lawrence County rate increase was effective on  
8 August 14, 2003. So they were coming due for their  
9 rate increase extension. We conducted a site visit on  
10 September the 29th of this year; met with Johnny  
11 Cheekwood, the director.

12 The PSAP continues to operate where  
13 it has for several years, and it's adjacent to the  
14 Lawrenceburg Police and Fire Departments. Although  
15 significant renovations have and are being -- taking  
16 place right now within their building to create a new  
17 full position dispatch room. And to be in the room,  
18 you would think you're in a brand new building.  
19 Hopefully the relocation to this new space is going to  
20 occur this next month or the month of November, but  
21 staffing remains unchanged with 14 full-time call-taker  
22 positions and 18 part-time as far as providing coverage  
23 for peak call periods, sickness, vacation, etc.

24 Residential telephone lines, as in  
25 other counties, have decreased by 10 percent since

1     their original rate increase in 2003.  Although they're  
2     moving into a new space, most of their equipment is  
3     going to remain the same since the application in 2003.  
4     However, they will be putting some flat panel monitors  
5     in which will provide a more modern look and allow them  
6     to have more equipment in place at the workstations  
7     that's taken up with big, old glass monitors right now.  
8     They're also improving security by putting in a  
9     chain-link fence around the area of the tower and the  
10    radio equipment room and the generator room.

11                   Part of the funds, they've indicated,  
12    would be used for purchasing additional surveillance  
13    cameras just to, again, continue to improve their  
14    security.

15                   And although I don't have any old and  
16    new photos, you can see the photos there of the new  
17    center.  Well, actually, you do have the old dispatch  
18    center, and you can see the improvements a little bit  
19    although the equipment is not in that last photo.  
20    That's all I have.  Jim.

21                   MR. BARNES:  Since November of 2003  
22    when the rates -- current rates went into effect, the  
23    ECD has been operating as a change in net assets with a  
24    positive balance except for the first year.  You know,  
25    we had a half year of the funding basically.



1                   The audit reports for the last three  
2   years have indicated that in the first year of 2003  
3   there were six findings, which basically I won't go  
4   into because in 2004 they had been decreased to two  
5   findings, and that's segregation of duties and budget  
6   overexpenditures. That same two findings were in 2005,  
7   separation of duties and budget overexpenditures. In a  
8   small facility of that size, this is a normal finding.  
9   And I find no fault with their accounting records or  
10   internal controls other than is required by audit  
11   standards. So they're doing a good job on maintaining  
12   their records and keeping track of things. Table 3 on  
13   a projection of expenditures and revenues for the  
14   future shows by 2007 they would have a net positive  
15   change in net assets of \$219,649. By 2008 and 2009 --  
16   2008 would still be positive with 12,509. And 2009  
17   would be negative of \$5,433.

18                   The ending net assets for 2009 are  
19   projected to be \$623,564. And the ending cash balance  
20   in 2009 is projected \$770,973.

21                   The recommendation. The district has  
22   requested the extension based on its expressed desire  
23   to continue payments of its building debt, maintain the  
24   current staffing and pay levels, and keep a working  
25   fund balance. Based on the technical, operational, and

1 financial review of the district, TECB director of  
2 technical services and auditor agree that the request  
3 is reasonable and that no information indicates that  
4 the district's rate increase should not be extended.

5 CHAIRMAN PORTER: You've heard the  
6 recommendation from staff. Is there questions of staff  
7 or of Lawrence County?

8 MR. BILBREY: Yes. And I'm not sure  
9 who. These audit reports back in 2003, they had some  
10 pretty good findings there that, you know, showed some  
11 control problems. 2004, we evidently got most of those  
12 straightened out, but 2004, 2005, we still had a  
13 separation of duties. And I guess the question is just  
14 how -- how much of a problem is that? How -- what do  
15 we have included in that finding? What's -- where do  
16 we have the separation of duty problems? I guess is  
17 what I'm asking. Is it a major problem, or do we know,  
18 or do we have the information on it? And does the  
19 board -- the district board down there work with them  
20 on trying to alleviate those problems or what? Because  
21 when it says, "Due to the limited number of personnel  
22 employed by the district, several functions, which  
23 ideally should be performed by different individuals,  
24 are regularly performed by one person." That -- you  
25 know, that makes it sort of a -- leaves it open to

1 potential future problems, not that there will be any,  
2 but still that's a control.

3 MR. BARNES: I have not reviewed the  
4 audit findings myself, Mr. Bilbrey, and I'd have to  
5 look into it and get an answer for you.

6 MR. BILBREY: We'd like to know what  
7 those are.

8 CHAIRMAN PORTER: Johnny, do you want  
9 to -- do you have any idea what they're talking about  
10 and what's going on as far as segregation of duties?

11 MR. CHEEKWOOD: It's the same thing  
12 that most other small centers face. It's me and my  
13 secretary, and we have to take care of all of the  
14 financial things. We understand what they're looking  
15 for. I would tell the board and maybe alleviate a  
16 little bit of their problem -- a little bit of their  
17 feelings about this. We have an independent auditor  
18 that comes in, if not quarterly, every two months and  
19 sits down and reviews our recordkeeping and makes  
20 recommendations. And, basically, the board feels like  
21 other than farming this out to an individual company,  
22 we have no choice. We're -- you know, we're doing the  
23 best we can with the staffing we have. But it is -- it  
24 is not -- you know, it's not that we're not checked by  
25 an independent. We have an independent auditor who

1 comes in and checks our books and our recordkeeping.

2 That is above the actual audit that y'all receive. We  
3 do that ourselves just to try to keep from -- make sure  
4 we keep ourselves out of trouble because I definitely  
5 don't want any trouble.

6 CHAIRMAN PORTER: Who signs your  
7 checks on a monthly basis? Is it you or is it the  
8 board members?

9 MR. CHEEKWOOD: It's me or -- and a  
10 board member or two board members. It's just according  
11 to who's available.

12 CHAIRMAN PORTER: I know one thing  
13 that we changed -- and I don't know if it helps you or  
14 not -- on the segregation of duties is that the  
15 auditor -- if you have it where two board members are  
16 signing, that took care of that segregation of duty  
17 finding in some districts that I know of. So I don't  
18 know if that will help you or not where the director is  
19 not signing unless it's just in an emergency situation,  
20 and I don't know if that will help you on your end or  
21 not.

22 MR. BILBREY: I guess what we're --  
23 what I'm asking is if the board can't provide more help  
24 in that area?

25 MS. REED: This board?

1                   MR. BILBREY: No, not this board;  
2     their board. That they can provide like the signing of  
3     checks or whatever -- some way to alleviate any  
4     problems that would, you know, show up from a control  
5     standpoint that the auditors can look at, and, you  
6     know, that does satisfy the requirements and all. But  
7     if there is no way that can be done, we need to know  
8     what -- really what those are, and I guess more than  
9     anything else we would just like to know where the --

10                  MR. CHEEKWOOD: I think the -- I  
11     think one of the biggest findings on the audit is is  
12     concerning deposits where, of course, the same -- my  
13     secretary does the deposits and also does the payroll.  
14     That's what the auditor said the biggest problem was.  
15     That's the reason, you know, in the last few years  
16     they've had us go ahead and start doing a receipt, an  
17     actual book where we keep up with every deposit that's  
18     made and who makes it and all of that. That was, as  
19     best as I can understand from our auditor, was the  
20     problem where we had an individual who was depositing  
21     the funds and also doing the payroll. They wanted it  
22     separated where somebody was -- you know, somebody was  
23     responsible for making deposits that had no -- you  
24     know, no control over the actual payroll which she  
25     doesn't, but she just does the actual, you know, input

1     into the computer. The way -- you know, like I said,  
2     the only way that we could solve that problem would be  
3     to hire an individual accounting firm to do our payroll  
4     for us. And that's something the board might consider.  
5     You know, our funding is a little better than it used  
6     to be; we might could afford that now. But before we  
7     just weren't financially able to hire anybody to do  
8     that.

9                     CHAIRMAN PORTER: You would think in  
10    a small operation, though, having two people there  
11    wouldn't be a segregation problem; that doesn't make  
12    a -- because I know districts that only have one and  
13    don't get wrote up for a segregation of duties, so I  
14    don't know what the --

15                    MR. BILBREY: It may depend on what  
16    the board itself -- how they participate in their  
17    functions down there. I don't know.

18                    CHAIRMAN PORTER: It could be. It  
19    could be the auditor too. You know, sometimes you get  
20    auditors that pick on certain things.

21                    MR. BILBREY: So --

22                    CHAIRMAN PORTER: Do you want to  
23    carry it further, Charlie?

24                    MR. BILBREY: Well, you know, I would  
25    like for somebody, though, to look into the audit

1 findings and find out exactly what we're dealing with  
2 in detail.

3 CHAIRMAN PORTER: Jim, are you going  
4 to take care of that?

5 MR. BILBREY: I'm not going to hold  
6 anything up here, but it's something that we can't just  
7 overlook, I don't think.

8 MR. BARNES: Would you want me to  
9 report that to you personally or back at the next  
10 meeting?

11 MR. BILBREY: Well, I think you ought  
12 to probably just send it out to all of the board  
13 members really as a follow-up on, I guess, this review  
14 here.

15 CHAIRMAN PORTER: Any other questions  
16 or discussion?

17 MR. RICH: I move we extend their  
18 rate based on the stipulations by Mr. Bilbrey.

19 CHAIRMAN PORTER: We have a motion by  
20 Mr. Rich. And a second?

21 MS. COBB: Second.

22 CHAIRMAN PORTER: Second, Ms. Cobb,  
23 to approve Lawrence County's request. Is there any  
24 discussion?

25 (No response.)

1 CHAIRMAN PORTER: Hearing none, all  
2 in favor say aye.

3 (Board members respond "aye.")

4 CHAIRMAN PORTER: All opposed, like  
5 sign.

6 (No response.)

7 CHAIRMAN PORTER: Motion carried.

8 MR. CHEEKWOOD: Thank you.

9 CHAIRMAN PORTER: And our final item  
10 is Montgomery County. Larry, if you would just  
11 introduce yourself and tell the board how big of a  
12 Vanderbilt fan you are and --

13 MR. BRYANT: I'm Larry Bryant,  
14 director of 911 for Montgomery County.

15 CHAIRMAN PORTER: Okay, Rex.

16 MR. HOLLAWAY: I know this -- I've  
17 said this several times this morning already, but  
18 Montgomery County is another one of those districts  
19 that have a great facility, and we're seeing a lot of  
20 improvements going on in our technology and building  
21 spaces and our PSAPs these days.

22 Their dispatch center -- if you  
23 haven't seen it, it really seems to be underground  
24 although it's technically not underground, but it's  
25 very protected from any tornado-type winds that might



1 hit the area.

2                   The purpose of the original rate  
3 increase included the funding for the construction of  
4 that new building and also to upgrade their CAD system.  
5 We conducted a site visit in August of this year with  
6 Larry, and they -- as I mentioned they do occupy this  
7 new facility that was completed in November of 2003.  
8 Most equipment was placed or was replaced with newer  
9 technology and they -- although I think they have  
10 pretty much the same number of staff, but they do  
11 include a building custodian, maintenance technician  
12 for this fairly large building, and 27  
13 telecommunicators who answer and dispatch police, fire,  
14 and EMS calls to the entire county. All 27 dispatchers  
15 or telecommunicators are E911 employees and are paid by  
16 the district, and they have a contract with the county  
17 to do that dispatching and are funded in part by that  
18 agreement.

19                   If you look at the photos, most of  
20 the equipment was moved or some of the equipment was  
21 moved to the new location so they're -- they've got --  
22 they've enhanced the GIS mapping, but they do  
23 anticipate a need to replace some of the computers that  
24 are beginning to age and need to be upgraded for  
25 software. Other than that, that's all I have, Jim.

1                   MR. BARNES: The current rate that  
2     was approved on October 30, 2001, by the board was a  
3     dollar fifty, residential, and three dollars for  
4     business. It's been available in the revenue since  
5     December the 1st of 2001 for their operations. And  
6     Table 1, analysis of the net change in assets, change  
7     in net assets since 2001 has been positive for three of  
8     those years and in 2005 was a negative \$212,934 change.

9                   In the last five auditor reports  
10    there have been several findings scattered over the  
11    several years: Budget overexpenditure audit finding  
12    was found in all five of the audit reports. Financial  
13    reports not presented at all of the board meetings was  
14    a finding in two of the audit reports. The chart of  
15    accounts not in accordance with the Tennessee  
16    Accounting Financial Reporting Manual was a finding in  
17    four audit reports and the capitalization and  
18    depreciation of fixed assets was a finding in three of  
19    the audit reports.

20                  In 2005 there were only two findings.  
21    That was the budget overexpenditure and the chart of  
22    accounts not in accordance with the accounting  
23    financial manual.

24                  In analysis of the change in net  
25    assets in the projections in the 2007 year, it's

1 projected they will have a positive change in net  
2 assets of \$137,770. And in 2008 it's projected to be a  
3 negative \$55,072. And in 2009, a projected negative  
4 \$75,471. Projected ending net assets for 2009  
5 projected to be \$1,451,084. Ending cash balance of  
6 2009 projected \$958,367.

7 The district has requested the  
8 extension based on its expressed desire to continue  
9 funding the loan for the new building based on their  
10 technical, operational, and financial review of the  
11 district, the TECB director of technical services and  
12 auditor agree that the request is reasonable and that  
13 no information indicates that the district's rate  
14 increase should not be extended.

15 CHAIRMAN PORTER: You've heard the  
16 presentation of staff on Montgomery County. Is there a  
17 question of staff or director of Montgomery County?

18 MR. BILBREY: Yes. Going back,  
19 again, to the audit reports and the findings, can you,  
20 I guess, enlighten us or tell us where we are right now  
21 on a chart of accounts and why we don't have it  
22 standardized and where we are on it.

23 MR. BRYANT: We have it now.

24 MR. BILBREY: You have it now?

25 MR. BRYANT: Yes, sir. We just

1 purchased -- we contracted with the county to do our  
2 budgets and everything, and they have just purchased  
3 the new -- we have the new accounts that's in  
4 compliance with that.

5 MR. BILBREY: Good. I'm glad to hear  
6 that.

7 CHAIRMAN PORTER: Any other  
8 questions?

9 (No response.)

10 CHAIRMAN PORTER: You've heard the  
11 recommendation of staff to increase Montgomery County's  
12 rates. What's the rule of the board?

13 MR. SMITH: Chairman, I move to  
14 approve the Montgomery County request.

15 CHAIRMAN PORTER: Motion by  
16 Mr. Smith. Do I have a second?

17 MS. COBB: I'll second.

18 MR. BILBREY: Second.

19 CHAIRMAN PORTER: I'm going to take  
20 Mr. Bilbrey on this one. Any discussion?

21 (No response.)

22 CHAIRMAN PORTER: Hearing none, all  
23 in favor say aye.

24 (Board members respond "aye.")

25 CHAIRMAN PORTER: All opposed, like

1 sign.

2 (No response.)

3 CHAIRMAN PORTER: Motion carried.

4 Thank you, Larry. We appreciate you coming in.

5 That concludes our business on the  
6 agenda for this meeting. We do have a -- our next  
7 meeting was set for January the 25th -- was that the  
8 date we first had?

9 MS. QUESTELL: We did not set a date.

10 CHAIRMAN PORTER: We didn't set a  
11 date. So we had the 18th and 25th open, but due to  
12 conflicts with a Gatlinburg conference and so forth and  
13 due to Lynn and Carolyn trying to write a -- the FCC --  
14 whatever you call this thing on the noninitialized  
15 phones, they're going to be doing a lot of work coming  
16 across the holidays, so I want to know if we might --  
17 to build up an agenda for our board meeting and not  
18 just meet to be meeting -- that we move out to  
19 February the 22nd as our next board meeting. Is that  
20 agreeable with everyone? Then February the 22nd. Do  
21 you like meeting at 9:30 better than you do 9? Is that  
22 a little better for folks driving in? Okay. So 9:30  
23 then on February the 22nd will be our next meeting.

24 Anything else that needs to come  
25 before the board? If not --

1 MS. COBB: Mr. Chairman, I move we  
2 adjourn.

3 CHAIRMAN PORTER: Got a second?

4 MR. RICH: Second.

5 CHAIRMAN PORTER: All in favor say  
6 aye.

7 (Board members respond "aye.")

8 CHAIRMAN PORTER: All opposed, like  
9 sign.

10 (No response.)

11 CHAIRMAN PORTER: We're adjourned.

12 (Proceedings concluded at  
13 11:00 a.m.)

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## 1 REPORTER'S CERTIFICATE

2 STATE OF TENNESSEE )

3 COUNTY OF WILLIAMSON )

4 I, Jennifer B. Carollo, Registered  
5 Professional Reporter, Certified Court Reporter, and  
6 Notary Public for the State of Tennessee, hereby  
7 certify that I reported the foregoing proceedings at  
8 the time and place set forth in the caption thereof;  
9 that the proceedings were stenographically reported by  
10 me; and that the foregoing proceedings constitute a  
11 true and correct transcript of said proceedings to the  
12 best of my ability.

13 I FURTHER CERTIFY that I am not related to  
14 any of the parties named herein, nor their counsel, and  
15 have no interest, financial or otherwise, in the  
16 outcome or events of this action.

17 IN WITNESS WHEREOF, I have hereunto affixed  
18 my official signature and seal of office this 20th day  
19 of November, 2006.  
20

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21 JENNIFER B. CAROLLO,  
22 REGISTERED PROFESSIONAL  
23 REPORTER, CERTIFIED COURT  
24 REPORTER, AND NOTARY PUBLIC  
FOR THE STATE OF TENNESSEE

My Commission Expires:

25 June 1, 2008